

USAID/Zimbabwe
ANNUAL REPORT FY 2003

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Please Note:

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A. Program Level Narrative

Program Performance Summary:

Background: Zimbabwe is in the midst of four destructive and interrelated crises: humanitarian, HIV/AIDS, economic and political. No sector of this once vibrant and growing economy has gone unscathed, nor has any segment of the nation's diverse population. Zimbabwe was once acknowledged as an enduring post-independence success story, but the actions of the Government of Zimbabwe (GOZ) over the last several years have caused immense damage to the nation's economy, democratic institutions, social cohesion and welfare. Repairing Zimbabwe's tattered institutions and rebuilding its economy promises to be a long and difficult process. It is also one that most observers agree the country cannot embark upon without first addressing the underlying political crisis that polarizes this troubled nation.

Zimbabwe's economic and social indicators paint a picture of a country in deep crisis: 7.2 million people (over one-half of the population) require emergency food and other humanitarian aid to survive; over one third of the sexually-active population is HIV positive (with 4,000 deaths per week); GDP is expected to decline by at least 12% in 2002 (the largest decline in the nation's history); the annual inflation rate is conservatively estimated at 175% (500% anticipated in 2003); unemployment is officially estimated in excess of 60%; and acute shortages in basic food supplies, medicines and fuel persist. The nation's crisis has resulted in a large-scale exodus of teachers, social/health care workers and professionals with marketable skills (staffing at many health clinics is estimated at only 40%).

On the political front, the most significant event was the March 2002 Presidential election that most reputable international observers, including the United States, determined to be neither free nor fair. Since the election, human rights groups have catalogued continued government-sponsored violence against opposition party members and perceived supporters of the opposition. The political environment remains highly polarized with no way out of the political impasse in sight. Ultimately, neither the humanitarian nor economic crises can be overcome absent a resolution of this underlying political stalemate.

U.S. Interests and Goals, and USAID's Response: The U.S. Government's principal national interests in Zimbabwe, as reflected in the mission Performance Plan, are to: 1) prevent a further deterioration of the political and economic situation, and the consequent detrimental impact on the southern Africa region; 2) strengthen the prospects for stability by fortifying civil society and democratic institutions; and 3) implement an effective response to the potentially catastrophic HIV/AIDS pandemic.

USAID/Zimbabwe's crisis prevention/mitigation program, as set forth in its Country Strategic Plan for 2000-2005, employs a "scenario-based" approach. This strategy identifies four scenarios (progress, now, breakdown and chaos), indicators to determine when a scenario is reached, and appropriate USAID activities for each scenario. This approach has allowed the mission to be responsive to Zimbabwe's changing economic, political and social environment. Based on the identified indicators, the Plan's "breakdown" scenario is still applicable, although some economic indicators point to an increasingly deteriorating situation moving towards the "chaos" scenario. These economic indicators for the "chaos" scenario are: 1) financial sector and economic 'meltdown', as evidenced by hyperinflation, parallel currency markets, massive enterprise closures, and multinational pullouts; 2) supply distribution systems crash, leading to severe shortages and exchange via barter and hard currency; and 3) public services shutdown, with ministries becoming dysfunctional, infrastructure maintenance ceasing, and health care services becoming a luxury for the elite.

The mission will continue to stay abreast of this rapidly evolving situation and keep USAID/Washington informed through its official reporting.

In response to Zimbabwe's crises, the USAID program is currently focused in four areas. First, for the immediate term, the U.S. Government has provided approximately 210,000 metric tons of food to date, (worth approximately \$110 million) as well as other humanitarian assistance through a variety of USAID

offices and international agencies. The provision and monitoring of humanitarian assistance will continue to be a principal focus of the USAID program in Zimbabwe for the foreseeable future. Concurrently, USAID is maintaining its ongoing three-pronged development program that is in direct response to the fundamental causes of the nation's current situation.

Specifically, USAID's two Strategic Objectives and one Special Objective are, respectively: 1) mitigating the HIV/AIDS pandemic (the "HIV/AIDS SO"); 2) increasing the dialogue and responsiveness between the citizenry and selected government institutions, especially Parliament and local authorities (the "Participation SO"); and 3) enhancing access of the most disadvantaged groups to income-generating opportunities through the provision of micro-finance and related business and technical support services (the "Economic Opportunities SpO"). This Special Objective is principally focused in rural and peri-urban areas, with special emphasis on HIV/AIDS-infected and affected persons. All of this assistance is being provided through a variety of local, U.S. and international contractors and NGOs, and United Nations agencies, consistent with current Congressional (Brooke-Alexander Amendment) and Executive Branch restrictions on direct assistance to the Government of Zimbabwe.

The beneficiaries of today's USAID program are the largely disenfranchised, poor Zimbabwean majority who are struggling to survive. Their health is seriously at risk, many are in desperate need of the most basic essentials of life, particularly food and employment opportunities, and their voices have not been heard within the political institutions of their country.

Other Donors and Relations: In addition to the United States, the major non-food aid donors are the European Union, the United Kingdom, Japan and Sweden. Implementing smaller programs are the Netherlands and Norway, although Norway's program is now in abeyance. Germany, once a major donor, and Denmark have both withdrawn their development assistance programs since the March 2002 Presidential elections. Food and other humanitarian assistance is being provided directly or indirectly by all of the above. Sweden is supporting the RRU, plus Australia, Austria, Denmark, Finland, France, Germany, South Africa, South Korea, Switzerland, African Development Bank, and the UN agencies.

In June, the International Monetary Fund (IMF) adopted a declaration of non-cooperation regarding Zimbabwe's overdue financial obligations to the Fund, and suspended the provision of technical assistance. Likewise, the World Bank's program has been terminated due to poor performance and the breakdown in the rule of law. Currently, the Government is in arrears on all of its multilateral debt obligations.

All but one major bilateral donor have stopped government-to-government assistance, opting instead to channel their aid directly through NGOs. The UN family of agencies remains active in Zimbabwe in several sectors (AIDS/health, education, environment and governance). Because bilateral relations between most donors and the GOZ are strained, the UN is serving as the principal interlocutor between the parties. The UN also coordinates the range of humanitarian assistance, actively involving all major bilateral donors. Donor coordination is excellent, especially with respect to the emergency food and humanitarian assistance programs. USAID, in conjunction with the resident CDC staff, leads the coordination of HIV/AIDS activities in country, while USAID is a principal member of the donors' good governance group.

Key Achievements: Despite Zimbabwe's deteriorating climate, the mission's two strategic objectives exceeded their targets. The economic crisis, plus severe budget restrictions, impeded full achievement of the Special Objective's targets. The transition to "doing business" entirely through U.S. and international contractors and NGOs has been highly successful and cost efficient. Following are the major achievements at the SO level:

The Participation SO: Despite the GOZ's concerted efforts to narrow the space for political dialogue, USAID's civil society advocacy program has helped to sustain CSOs, and enabled them to advocate to Parliament on issues of national importance, such as the Public Order and Security Act which severely restricts freedom of speech and assembly. Fifteen of the 16 CSOs that USAID supports demonstrated improvement in their advocacy programs: they advocated for issues which are nationally significant;

found creative ways to hold public meetings; continued to engage policy makers; and created more valid engagement between themselves and their MPs.

Support to the Parliamentary Committee system created an avenue for unprecedented civic participation in decision making through public committee hearings. With USAID support, the committee chairs from both parties demonstrated bi-partisanship in carrying out their business. The Parliamentary Committee system is the only mechanism within the entire political system where members of the governing party and the opposition party are working together. Parliament also remains the only official channel at the national level for the opposition party to express its views publicly. Although the bipartisan approach in the Committee System has been a positive development, the ruling party's majority in Parliament has resulted in the passage of some significant pieces of legislation that have not met international standards for democratic societies. Thus, the challenge remains to translate the gains being made at the committee level to the full house of Parliament so that legislation is accorded an exhaustive and inclusive review before being passed.

The pilot program to support local government sponsored joint local authority-CSO meetings in five localities that resulted in agreed upon action plans to promote participatory governance. These meetings greatly improved the partnership between local authorities and civil society, and participants consistently agreed to tolerate differing opinions and political competition.

The HIV/AIDS SO: The number of beneficiaries of voluntary HIV counseling and testing (VCT) services and sales of contraceptives for HIV prevention exceeded targets. Several factors, however, including the lack of national leadership, the continuing stigma of AIDS, and the deteriorating health-care system, remain major barriers to reversing the AIDS pandemic. For these reasons, it will be a significant challenge to scale up these programs and reach a majority of Zimbabwe's population. Additionally, the current food crisis is further exacerbating the pandemic, with reduced nutritional levels accelerating the onset of AIDS for HIV-infected persons, and hastening death for those with AIDS. These factors are converging and accelerating a vicious cycle of poverty, disease and premature death -- life expectancy has dropped from 61 years to 39.

In response, USAID supported activities to promote behavior change and reduce the stigma of AIDS, as exhibited in 2002 by:

- A 40% increase in clients receiving VCT services at fixed sites, and a 142% increase through mobile outreach mechanisms;
- A 49% female participation rate at VCT sites, thereby demonstrating the program's success in attracting an equal proportion of both sexes; and
- A 54% increase in sales of condoms, 95% increase in oral contraceptives, and 32% increase in female condoms.

The Economic Opportunities SpO: Over 40,000 households in rural and peri-urban areas took advantage of access to appropriate low-cost production technologies, micro-financing, and/or legal services. These services are aimed at starting or expanding micro-businesses and at protecting the assets of HIV/AIDS-affected families. Approximately 40% of these households realized increased incomes, better food security/nutrition, increased assets, greater ability to procure medicines, and/or kept their children in school longer. More than 22,000 of these households were directly affected by HIV/AIDS.

Environmental Compliance: A. Environmental Review Requirements

The only mission Reg. 216 action last year consisted of the final AFR review and approval of the IEE for the new "Economic Opportunities" Special Objective (see "32zimbSpO1").

Current plans call for only one additional Reg. 216 action for FY 2003, i.e., a review and modification of the existing Categorical Exclusion (CE), or a new CE or IEE, as required, for the "Local Governance" activity under IR #3 of our "Participation" Strategic Objective for the planned expanded follow-on activity to the Pilot Program for Local Governance" (PPLG). The mission has scheduled a visit of REDSO/ESA/REO staff to assist it in addressing this requirement later this fiscal year.

The mission's other planned obligations this year currently consist of incremental funding for existing activities with approved IEEs, CEAs or Environmental Assessments (EAs). The mission (through the mission Environment Officer (MEO) will continue to liaise with REO staff to ensure that any new program developments are properly addressed under the Reg. 216 review process.

B. Environmental Compliance Statement

All other mission activities are covered by existing, approved IEEs, CEAs or EAs, and are in compliance with the requirements of said existing, approved IEEs, CEAs or EAs, principally relating to:

- Continuing, approved "umbrella" or follow-on environmental review requirements for new sub-project or program activities (i.e., SO1/Natural Resources Management Program -- see "28zimb3.iew"; the Private Sector Housing Program -- No. 613-HG-003 & 613-0235; and IR #2 - the "Business Development Services" component of the "Economic Opportunities" Special Objective -- see "32zimbSpO1"); and/or

- Ongoing program environmental monitoring requirements (i.e., the "Voluntary Counseling and Testing" component of the "HIV/AIDS Crisis Mitigated" Strategic Objective -- see "30Zimbabwe1 HIV/AIDS SO.iew").

The MEO continues to work with REO to monitor and ensure mission compliance with these requirements during planned visits.

Country Closeout & Graduation:

N/A

D. Results Framework

613-001 Natural resources management strengthened for sustainable development of CAMPFIRE communities

IR 1.1 Sustainable natural resources management practices adopted

IR 1.2 Sound community decision-making processes established

Discussion:

613-002 Broadened Ownership in a Growing Economy

Discussion:

613-008 Enhanced citizens' participation in economic and political decision making

SO Level Indicator: CSO perception of valid engagement with Parliament on issue relevant to their concern

IR 8.1 Improved civil society organization representation of citizens' interests at the national and local levels

IR 8.2 More Effective and Accessible Selected National Government Institutions: Parliament

IR 8.3 Local authorities more capable and open to local citizen input

Discussion:

613-009 HIV/AIDS Crisis Mitigated

SO Level Indicator: % of Zimbabwe's orphans reached with care and support

SO Level Indicator: HIV prevalence in 15 - 19 age cohort

IR 9.2 Enhanced capacity of institutions to formulate and advocate for improved HIV policies.

IR 9.3 Improved care and support for vulnerable children.

IR 9.1 Behavior change, through increased use of effective quality services for HIV prevention

Discussion: Although there has been no substantive changes in the IRs, as a result of the complete PMP review of with a consulting team from PriceWaterhouse, we have revised the wording of the IRs to better reflect the concept.

613-010 Access to Economic Opportunities for Disadvantaged Groups Expanded

SO Level Indicator: Estimated total revenue in US\$ earned by households as a result of participating in SpO assisted interventions.

IR 10.1 Access to financial services increased

IR 10.2 Business capacity improved

Discussion: IR 3, which was listed here has been deleted because it is not, and has not been part of the strategic framework for this SpO.

Selected Performance Measures - Zimbabwe

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Indicator (all data should pertain to FY or CY 02)	OU Response	Significant Result: Description of the significant result for a strategic objective	Data Quality Factors: Information relevant to the collection of this indicator data, e.g. "this data was not collected last year because it is only collected every five years."
Pillar I: Global Development Alliance			
Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?			
613-008 Enhanced citizens' participation in economic and political decision-making	No		
613-009 HIV/AIDS Crisis Mitigated	No		
613-010 Access to Economic Opportunities for Disadvantaged Groups Expanded	No		
a. How many alliances did you implement in 2002? (list partners)	0		
b. How many alliances do you plan to implement in FY 2003?	2		
What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	0		
Pillar II: Economic Growth, Agriculture and Trade			
USAID Objective 1: Critical, private markets expanded and strengthened			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
613-010 Access to Economic Opportunities for Disadvantaged Groups Expanded	Yes		36 grants/contracts linking rural disadvantaged groups with commercial companies and NGOs established benefiting approximately 40,436 households Data quality assessment to be carried out in 2003
USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
613-010 Access to Economic Opportunities for Disadvantaged Groups Expanded	Yes		36 grants/contracts linking rural disadvantaged groups with commercial companies and NGOs established and benefited 40,436 households Data quality assessment to be carried out in 2003
USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
613-010 Access to Economic Opportunities for Disadvantaged Groups Expanded	Yes		36 grants/contracts linking rural disadvantaged groups and commercial companies and NGOs established and benefited 40,436 households Data quality assessment to be carried out in 2003
USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
a. Number of children enrolled in primary schools affected by USAID basic education programs (2002 actual)	Male	Female	Total

b. Number of children enrolled in primary schools affected by USAID basic education programs (2003 target)	Male	Female	Total	
USAID Objective 5: World's environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable urbanization,				
Did your program achieve a significant result in the past year that is likely to contribute to this objective?				
a. Hectares under Approved Management Plans (2002 actual)				
b. Hectares under Approved Management Plans (2003 target)				
Pillar III: Global Health				
USAID Objective 1: Reducing the number of unintended pregnancies				
Did your program achieve a significant result in the past year that is likely to contribute to this objective?				
613-009 HIV/AIDS Crisis Mitigated				
Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	%			
USAID Objective 2: Reducing infant and child mortality				
Did your program achieve a significant result in the past year that is likely to contribute to this objective?				
613-009 HIV/AIDS Crisis Mitigated				
Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total	
Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total	
Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total	
Were there any confirmed cases of wild-strain polio transmission in your country?				
USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth				
Did your program achieve a significant result in the past year that is likely to contribute to this objective?				
Percentage of births attended by medically-trained personnel (DHS/RHS)	%			
USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries				
Did your program achieve a significant result in the past year that is likely to contribute to this objective?				
613-009 HIV/AIDS Crisis Mitigated	No			No significant results at the SO level, however we did have significant impact at the IR level.
a. Total condom sales (2002 actual)	19500000			
b. Total condom sales (2003 target)	20000000			This data is collected annually on a calendar year basis by PSI/Zimbabwe. This represents socially marketed condom sales only.

National HIV Seroprevalence Rates reported annually (Source: National Sentinel Surveillance System)	33%			UNAIDS, 2001
Number of sex partners in past year (Source: national survey/conducted every 3-5 years)per DHS or other survey)	48			48% of young people (age 15-24) had multiple sex partners in the last 12 months. Knowledge Attitude & Practices (KAP) survey (PSI, August 2001). Survey is conducted every 2 years.
Median age at first sex among young men and women (age of sexual debut) ages 15-24 (Source: national survey/conducted every 3-5 years) per DHS or other survey)	18 Male	19 Female	37 Total	KAP survey (PSI, August 2001). Survey conducted every 2 years.
Condom use with last non-regular partner (Source: national survey/conducted every 3-5 years)per DHS or other survey)	52%			KAP Survey (PSI, August 2001) Conducted every 2 years.
Number of Clients provided services at STI clinics				
Number of STI clinics with USAID assistance				
Number of orphans and other vulnerable children receiving care/support				
Number of Orphans and Vulnerable Children programs with USAID assistance				
Number of community initiatives or community organizations receiving support to care for orphans and other vulnerable children				
Number of USAID-supported health facilities offering PMTCT services				
Number of women who attended PMTCT sites for a new pregnancy in the past 12 months				
Number of women with known HIV infection among those seen at PMTCT sites within the past year.				
Number of HIV-positive women attending antenatal clinics receiving a complete course of ARV therapy to prevent MTCT (UNGASS National Programme & Behavior Indicator #4)				
Number of individuals reached by community and home-based care programs in the past 12 months				
Number of USAID-assisted community and home-based care programs				

Number of clients seen at Voluntary Counseling and Testing (VCT) centers	58000				This is 2002 calendar year data from USAID funded PSI "New Start" VCT Centers.	
Number of VCT centers with USAID assistance	14					
Number of HIV-infected persons receiving Anti-Retroviral (ARV) treatment					There are 14 USAID funded PSI "New Start" VCT Centers.	
Number of USAID-assisted ARV treatment program						
a. Number of individuals treated in STI programs (2002 actual)	Male	Female	Total			
b. Number of individuals treated in STI programs (2003 target)	Male	Female	Total			
a. Is your operating unit supporting an MTCT program?						
b. Will your operating unit start an MTCT program in 2003?						
a. Number of individuals reached by community and home based care programs (2002 actual)	Male	Female	Total			
b. Number of individuals reached by community and home based care programs (2003 target)	Male	Female	Total			
a. Number of orphans and vulnerable children reached (2002 actual)	Male	Female	Total			
b. Number of orphans and vulnerable children reached (2003 target)	Male	Female	Total			
a. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 actual)	Male	Female	Total			
b. Number of individuals reached by antiretroviral (ARV) treatment programs (2003 target)	Male	Female	Total			
USAID Objective 5: Reducing the threat of infectious diseases of major public health importance						

a. Number of insecticide impregnated bed-nets sold (Malaria) (2002 actual)				
b. Number of insecticide impregnated bed-nets sold (Malaria) (2003 target)				
a. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 actual)	%			
b. Proportion of districts implementing the DOTS Tuberculosis strategy (2003 target)	%			

Pillar III: Democracy, Conflict and Humanitarian Assistance
USAID Objective 1: Strengthen the rule of law and respect for human rights

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 2: Encourage credible and competitive political processes

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

613-008 Enhanced citizens' participation in economic and political decision-making	Yes			Indicator: CSO perception of valid engagement with Parliament on issues relevant to their concern. Baseline was 0 in 1999, 16 in 2000, 25 in 2001 and 50.5 in 2002. Indicator: MPs' assesemnt of the quality of CSO input into the legislative process, with emphasis on the budgetary process.	Data collection for 'CSO perception' is based on an increase in the number of CSOs coming on board and giving attention to advocacy to Parliament, rather than on an improvement in the quality of the engagement. The indicator is intended to monitor changes in the way Parliament responds to and works with CSOs. The other indicator at the SO level, 'MPs assessment' balances the perceptions of valid engagement from the Parliamentary side.
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USAID Objective 3: Promote the development of politically active civil society

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

613-008 Enhanced citizens' participation in economic and political decision-making	Yes			Indicator: 'Number of targeted CSOs that work at the national level and show improvement on the advoacacy index.' Baseline of 0 in 1999, 7 in 2000, 10 in 2001 and 14 in 2002.	An indpendent panel of civil society experts grade each CSO on the advocacy index on an annual basis.
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USAID Objective 4: Encourage more transparent and accountable government institutions

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

613-008 Enhanced citizens' participation in economic and political decision-making	Yes			Indicator: 'Number of parliamentary committee meetings open to citizens, citizen groups and the media'	In 1999 the baseline was 0. In 2001 it was 24 and in 2002 it was 39. This indicator tracks the number of meetings which notify stakeholders in good time, provide relevant materials, answer questions, and notify public and press to attend in good time.
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USAID Objective 5: Mitigate conflict

Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total	
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USAID Objective 6: Provide humanitarian relief

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Number of beneficiaries					We receive quarterly reports from the implementor of the Victims of Torture Program, Amani Trust.
Crude mortality rates	%				
Child malnutrition rates	%				
Did you provide support to torture survivors this year, even as part of a larger effort?	N/A				
Number of beneficiaries (adults age 15 and over)	Male	Female	Total		
Number of beneficiaries (children under age 15)	Male	Female	Total		